

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2178-01
Bill No.: SB 499
Subject: Agriculture and Animals; Agriculture Dept.
Type: Original
Date: February 26, 2007

Bill Summary: Allows fuel ethanol produced from qualified biomass to be eligible of certain fuel ethanol production subsidies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	\$0	(\$2,625,000)
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	(\$2,625,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** and **Department of Conservation** assume no impact to their agency.

Officials from the **Department of Agriculture (MDA)** will need to review application materials to determine a facility's eligibility to be licensed as a Missouri qualified fuel ethanol producer. Once licensed, the department will need to review monthly grant requests from licensed production facilities to determine whether or not they meet statutory requirements.

This analysis assumes one plant with a 15 million gallon annual capacity will receive ethanol producer incentives in FY 2010.

12.5 MG * \$0.20 per gallon = \$2,500,000
 2.5 MG * \$0.05 per gallon = \$ 125,000

 Total Cost = \$2,625,000

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost - Department of Agriculture</u>			
Monthly Incentive Payment	<u>\$0</u>	<u>\$0</u>	<u>(\$2,625,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>\$0</u>	<u>(\$2,625,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Yes. It will stimulate economic growth in rural Missouri.

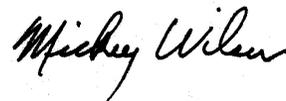
FISCAL DESCRIPTION

The proposed legislation allows fuel ethanol produced from qualified biomass to be eligible for certain fuel ethanol production subsidies.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Revenue
Department of Conservation



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Director
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